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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/664,558	09/17/2003	Michael Jared Ergo	EA-001C1	4597
25962	7590	12/08/2005	EXAMINER	
SLATER & MATSIL, L.L.P. 17950 PRESTON RD, SUITE 1000 DALLAS, TX 75252-5793			POND, ROBERT M	
			ART UNIT	PAPER NUMBER
			3625	
DATE MAILED: 12/08/2005				

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>	
	10/664,558	ERGO ET AL.	
	<b>Examiner</b>	<b>Art Unit</b>	
	Robert M. Pond	3625	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

#### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

- 1) Responsive to communication(s) filed on 07 March 2005.
- 2a) This action is **FINAL**.                            2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 22-39 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 22-39 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:
  1. Certified copies of the priority documents have been received.
  2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413)
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	Paper No(s)/Mail Date. _____.
3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date <u>9/17/2003</u> .	5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)
	6) <input type="checkbox"/> Other: _____.

## **DETAILED ACTION**

### ***Response to Amendment***

All pending claims (22-39) were examined in this non-final office action.

### ***Response to Arguments***

The previous office action was based on examining claims 1-21 that were previously canceled in a preliminary amendment. The previous office action is withdrawn.

### ***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

**1. Claims 22, 27, 28, and 36 are rejected under 35 USC 102(b) as being anticipated by Allen (US 5,909,638).**

Allen teaches all the limitations of claims 22, 27, 28, and 36. For example, Allen discloses an in-store retailing system and method of selling or renting content (e.g. video) on demand to a consumer making a purchase or rental request and storing the content onto an optical medium (e.g. DVD) (see at least abstract). Allen further discloses:

- Receiving a request for the video: (see at least col. 3, lines 32-40).
- Receiving payment information: any chargeable transaction applied to customer's credit card (e.g. late charges) (see at least col. 11, lines 21-30).
- At a point of sale, writing video content on the optically readable medium: (see at least col. 5, lines 51-54).
- At the point of sale, writing sales information on the optically readable medium: encoding, but not limited to: number of times medium has been recorded, number of rentals on the medium, the last user to check out the medium, and other processing and tracking information (see at least col. 8, lines 35-57); system collects customer date and time information (please note: date/time out and date/time in) (see at least col. 10, lines 49; col. 24, lines 13-15).
- At the point of sale, providing the video on the optically readable medium to a customer: (see at least col. 3, lines 32-40).
- Receiving medium from customer: customer returns rented medium.
- Currency: cash payment; foreign currency conversion.
- Content: games, movies, and audio (see at least cols. 1-2).
- System means: computer means, storage means, communication means, payment means, charging means (see at least Fig. 1; Fig. 16; Fig. 17; Fig. 18; Fig. 19).

***Claim Rejections - 35 USC § 103***

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

**2. Claims 23, 31-35, and 37-39 are rejected under 35 USC 103(a) as being unpatentable over Allen (US 5,909,638) in view of Official Notice (regarding old and well-known in the arts, hereinafter referred to as ON1).**

Allen teaches all the above as noted under the 102(b) rejection and teaches a) storing video content on demand into an optical medium for purchase or rental purposes, b) the system tracking customer date and time information for rental and rental return, and c) closing a rental transaction upon returning the rented medium and charging late fee based on date and time information, but does not disclose payment credit based on return timing information. The examiner takes the position that it is old and well-known in the arts for a business that sells and rents items to charge a reimbursable security deposit for rented items returned on-time and/or to offer a "rent with option to buy" in order to liquidate aging rental assets or to provide a customer shopping convenience, and to base payment credit on the above usage and pre-paid conditions. Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Allen to base payment credit on rent with option to buy as

taught by ON1, in order to liquidate aging assets or to provide a customer convenience.

3. **Claims 24 and 25 are rejected under 35 USC 103(a) as being unpatentable over Allen (US 5,909,638) and ON1 (regarding old and well-known in the arts), as applied to claim 23, further in view of Official Notice (regarding within the skill, hereinafter referred to as ON2).**

Allen and ON1 teach all the above as noted under the 103(a) rejection and teach a) the system tracking customer date and time information for rental and rental return, and b) recoding sales information on the optical medium (e.g. number of times medium has been recorded, number of rentals on the medium, the last user to check out the medium, and other processing and tracking information), but do not disclose recording date and time information on the optical medium. The examiner takes the position that it would have been within the skill to determine time and date information as other processing and tracking information at time of invention to provide a more accurate record of the transaction. Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Allen and ON1 to record onto the optical medium time and date information as other processing and tracking information as taught by ON2, in order to provide a more accurate record of the customer transaction.

**4. Claims 26 and 30 are rejected under 35 USC 103(a) as being unpatentable over Allen (US 5,909,638) in view of ON2 (regarding within the skill).**

Allen teaches all the above as noted under the 102(b) rejection and teaches a) the system tracking customer date and time information for rental return, and b) recoding sales information on the optical medium (e.g. number of times medium has been recorded, number of rentals on the medium, the last user to check out the medium, and other processing and tracking information), but does not disclose recording date and time information on the optical medium. The examiner takes the position that it would have been within the skill to determine time and date information as other processing and tracking information at time of invention to provide a more accurate record of the transaction. Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Allen to record onto the optical medium time and date information as other processing and tracking information as taught by ON2, in order to provide a more accurate record of the customer transaction.

**5. Claim 29 is rejected under 35 USC 103(a) as being unpatentable over Allen (US 5,909,638) in view of Freeny (Paper #20050103, US 4,528,643).**

Allen teaches all the above as noted under the 102(b) rejection and teaches a) foreign currency conversion and consumers making cash payments, and b) issues with the Freeny patent, but does not disclose a currency detector. Freeny

teaches payment by cash using dollar bills and coins accepted by a money acceptor apparatus (please note examiner's interpretation: can distinguish between coin denominations) (see at least col. 26, lines 35-38). Therefore it would have been obvious to one of ordinary skill in the art at time of the invention to modify the system and method of Allen to implement currency denomination detection as taught by Freeny, in order to provide a payment convenience for the consumer.

***Conclusion***

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Robert.M. Pond whose telephone number is 571-272-6760. The examiner can normally be reached on 8:30AM-5:30PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Ms. Wynn Coggins can be reached on 571-272-7159. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Robert M. Pond  
Primary Examiner  
December 5, 2005